

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03  
INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-03  
H-01 PA-01 PRS-01 /086 W  
-----132301Z 057232 /63

R 131718Z APR 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 7360  
DEPARTMENT TREASURY  
INFO USMISSION OECD PARIS  
USMISSION EC BRUSSELS

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E.O. 11652: N/A  
TAGS: ECON, EFIN, GW  
SUBJECT: EMBASSY FORECAST OF 1977 GERMAN CURRENT ACCOUNT

REF: BONN A-367, DEC 14, 1976

1. WE ESTIMATE THAT THE GERMAN CURRENT ACCOUNT IN 1977 WILL BE APPROXIMATELY AT THE SAME LEVEL AS IN 1976, I.E., A DM 7.5 BILLION SURPLUS. THE FORECAST IS NECESSITATED IN PART BECAUSE IN RECENT MONTHS WE HAVE SEEN A DISTINCT SLOWING IN THE RATE OF GROWTH OF GERMAN EXPORTS AND IMPORTS. NONSEASONALLY ADJUSTED NOMINAL FIGURES FOR JANUARY AND FEBRUARY SHOW THAT GERMAN EXPORTS ARE RUNNING 8.6 PERCENT AHEAD OF LAST YEAR'S TOTAL FOR THE FIRST TWO MONTHS AND IMPORTS HAVE INCREASED BY 9.7 PERCENT USING THE SAME BASIS OF COMPARISON. THIS IS SUBSTANTIALLY BELOW 1976 NOMINAL GROWTH OF 15.6 AND 20.2 PERCENT FOR EXPORTS AND IMPORTS, RESPECTIVELY. INDIVIDUAL COMPONENTS OF THE CURRENT ACCOUNT ARE FORECAST AS FOLLOWS:

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### FRG CURRENT ACCOUNT PROJECTION FOR 1977 (CURRENT PRICES, DM BILLION)

	1977 EST	1976	PERCENT CHANGE
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EXPORTS	284.0	256.2	11.0

IMPORTS	248.0	221.6	12.0
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TRADE ACCOUNT	36.0	34.5	
SUPP. TRADE ITEM	-0.5	-0.5	
SERVICES	-9.0	-8.8	
TRANSFERS	-19.0	-17.7	
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CURRENT ACCOUNT	7.5	7.5	

IN REAL TERMS, WE ESTIMATE THE GERMAN TRADE ACCOUNT  
FOR 1977 AS FOLLOWS:

FRG TRADE ACCOUNT FOR 1977  
(CONSTANT PRICES, DM BILLIONS)

	1977 EST	1976	PCT CHANGE
EXPORTS	205.0	189.4	8.0
IMPORTS	179.0	165.3	8.0
TRADE ACCT	26.0	24.1	

2. ON A GNP ACCOUNTING BASIS, THIS IS CONSISTENT  
WITH A NET FOREIGN BALANCE OF DM 12-13 BILLION. THE  
IMPLICIT ASSUMPTION OF AN EXPORT PRICE INCREASE IN  
1977 OF 3.0 PERCENT AND AN IMPORT PRICE INCREASE OF  
4.0 PERCENT IS IN LINE WITH GERMAN ESTIMATES AND  
REPRESENTS A CONTINUATION IN RECENT TRENDS TOWARDS  
LOWER PRICE INCREASES FOR BOTH EXPORTS AND IMPORTS.  
EXPORT PRICES IN 1976 INCREASED BY 3.2 PERCENT AND  
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IMPORT PRICES ROSE BY 5.0 PERCENT; HOWEVER, IN THE  
LAST QUARTER OF 1976 EXPORT PRICES ACTUALLY DECREASED  
AND IMPORT PRICES INCREASED AT AN ANNUAL RATE OF  
ONLY 1.8 PERCENT.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE BALANCE, ECONOMIC TRENDS, NATIONAL ACCOUNTS, BALANCE OF PAYMENTS, ECONOMIC REPORTS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BONN06413  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BONN A-367  
**Retention:** 0  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2825633  
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**Status:** NATIVE  
**Subject:** EMBASSY FORECAST OF 1977 GERMAN CURRENT ACCOUNT  
**TAGS:** ECON, EFIN, GE  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009